

## Message Text

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O 030725Z JUN 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC IMMEDIATE 4208

S E C R E T SECTION 1 OF 2 VIENTIANE 3953

NODIS

FOR THE SECRETARY FROM HABIB

DEPT PASS BANGKOK FOR HABIB

E.O. 11652: GDS

TAGS: PFOR, EAID, MASS, US, LA

SUBJECT: RECOMMENDATIONS ON FUTURE LAOS POLICY

REF: STATE 127430

1. I HAVE HAD THOROUGH DISCUSSIONS WITH MISSION STAFF DURING MY VISIT TO VIENTIANE AND HAVE ALSO HAD BENEFIT OF THINKING OF PRIME MINISTER SOUVANNA PHOUMA AND FOREIGN MINISTER PHOUMI VONGVICHIT. THE PRIMARY REQUIREMENT FOR OUR MISSION HERE IS POLICY GUIDANCE ON WHERE WE ARE HEADED IN LAOS. THE MISSION HAS DONE EXTREMELY WELL UNDER VERY TRYING CIRCUMSTANCES OVER THE PAST MONTH BUT IS CONFRONTED NOW WITH A SITUATION WHICH REQUIRES THE MOST URGENT DECISIONS FROM WASHINGTON. A GREAT DEAL OF THIS STEMS FROM THE PRACTICAL TAKEOVER OF THE PGNU BY THE PATHET LAO AT THE OPERATING LEVEL AND WITH ALL MILITARY STRENGTH UNDER COMMUNIST CONTROL.

2. I CONCLUDE THAT THE PRIMARY IMMEDIATE OBJECTIVE MUST BE TO CLEAR THE DECKS OF PAST PROGRAMS AND RESPONSIBILITIES, THUS PERMITTING A REDUCTION OF MISSION STAFF TO A LEAN, 50-ODD LEVEL. COMPLETE TERMINATION OF AID AND MAP PROGRAMS IS ESSENTIAL TO THIS OBJECTIVE. EMBASSY IS

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SUBMITTING ALTERNATIVE PLANS AND TARGET DATES TO GET TO

THAT STAFFING LEVEL. IT MAY NOT BE NECESSARY TO HOLD TO THE JUNE 5 TARGET DATE FOR STAFF REDUCTION TO 50, BUT REDUCTION OF PERSONNEL AND TERMINATION OF PREVIOUS AID PROGRAMS SHOULD BE COMPLETED WELL BEFORE JUNE 30. THE ONLY EXCEPTION WOULD BE A CONTINUING FLOW, FOR THE TIME BEING, OF MAP RICE AND (SMALL QUANTITIES) OF MAP POL TO THE FAR UNDER THE FY 75 BUDGET ALLOCATION. THESE COMMODITIES WILL BE NEEDED IN THE IMMEDIATE FUTURE IF WE ARE LITERALLY NOT TO STARVE THE ARMY WHICH WE HAVE SUPPORTED FOR SO LONG, AND THUS AROUSE LAO REACTION WHICH COULD JEOPARDIZE THE REMAINDER OF OUR ACTIONS. THE MILITARY AID PROGRAM IS SUCH THAT WE CAN TURN IT OFF ON VERY SHORT NOTICE, AND THAT IS WHAT I PROPOSE WE BE PREPARED TO DO AT JUST THE RIGHT MOMENT WITH REGARD TO OUR OTHER INTERESTS. WE HAVE NO NEED OR DESIRE TO SEE THE FAR RETAINED AS A FORCE. IT IS WORTHLESS FROM ALL MILITARY VIEWPOINTS.

3. THE USAID SITUATION IS MUCH MORE COMPLICATED. WE HAVE EQUIPMENT, FACILITIES AND PROJECTS SCATTERED ALL OVER. THE MANNER IN WHICH THE PGNU IS APPROACHING THE TURNOVER LEAVES US OPEN TO THE MOST NIGGLING AND UNNECESSARY NEGOTIATING PROCESS WHICH TAKES A GREAT DEAL OF TIME AND MANY SCARCE MAN-HOURS. IT IS ENTIRELY POSSIBLE THAT THESE NEGOTIATIONS WILL IN A MATTER OF DAYS PROVE HOPELESS, EITHER BECAUSE THE PGNU WILL INSIST ON TREATING THE EXTRANEIOUS ISSUES THEY INTRODUCED JUNE 2 OR BECAUSE THEY WILL INSIST ON INVENTORYING EVERY LAST ITEM THAT USAID BROUGHT INTO THIS COUNTRY. AT THAT POINT THE ACTING USAID DIRECTOR SHOULD BE ABLE TO WALK OUT OF THE NEGOTIATIONS WITHOUT ANOTHER WORD AND ABANDON EVERYTHING -- ALL USAID ASSETS - WHETHER COVERED BY PROGRAM AGREEMENTS OR NOT; ALL THE FURNITURE; AND ALL THE REAL ESTATE. HE DOES NOT NOW HAVE SUCH AUTHORITY AND SHOULD BE GIVEN IT IMMEDIATELY. (HE IS REQUESTING SUCH AUTHORITY IN A TELEGRAM TO ADMINISTRATOR PARKER JUNE 3.)

4. MEANWHILE, THE MISSION SHOULD TEST THE ASSURANCE SOUVANNA GAVE ME YESTERDAY AND REPEATED LATER IN PHOUMI'S  
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PRESENCE: THAT MILITARY ASSISTANCE AND OTHER EXTRANEIOUS QUESTIONS WILL BE DIVORCED FROM THE TURNOVER NEGOTIATIONS ACTING USAID DIRECTOR RAMSEY IS CONDUCTING WITH AN UNWIELDY TEAM OF 21 FROM MOST OF THE MINISTRIES IN TOWN (HE DOES NOT EVEN HAVE PROJECT AGREEMENTS WITH SOME OF THEM). IF THESE NEGOTIATIONS NOW GO FORWARD AMICABLY AND IN A BUSINESSLIKE MANNER, FINE; IT WILL BE WORTH KEEPING THE 30-PLUS USAID PEOPLE FOR A FEW

MORE DAYS, BECAUSE THOSE NOT INVOLVED IN THE MEETING ROOM WITH RAMSEY WILL BE WORKING ON SEVERANCE PAY FOR LOCAL EMPLOYEES, OUTBOUND HHE SHIPMENTS AND SO FORTH. IF THE NEGOTIATIONS BOG DOWN, THE SAME 30-ODD USAID OFFICERS CAN SIMPLY GET ON A PLANE AND LEAVE, PROVIDING AUTHORITY MENTIONED PRECEDING PARAGRAPH HAS BEEN GRANTED.

5. AT THIS TIME I DO NOT BELIEVE IT WISE TO SEND GALEN STONE HERE WHEN HE IS CONFIRMED, OR IF THE CONFIRMATION HEARINGS HAVE NOT BEGUN THEY MIGHT BE POSTPONED. WE NEED MAKE NO PUBLIC ANNOUNCEMENT, BUT THAT DECISION SHOULD AWAIT DEVELOPMENTS OVER THE NEXT SEVERAL WEEKS. STONE'S ARRIVAL SHOULD BE DIRECTLY RELATED TO EVIDENCE THAT THE PGNU INTENDS TO BEHAVE IN A MORE RESPONSIBLE MANNER THAN IT HAS RECENTLY, AND WHEN IT APPEARS MORE CERTAIN THAN IS NOW THE CASE THAT THE U.S. WILL HAVE AN ACCEPTABLE AND DIGNIFIED ON-GOING DIPLOMATIC RELATIONSHIP WITH LAOS.

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O 030725Z JUN 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC IMMEDIATE 4209

S E C R E T SECTION 2 OF 2 VIENTIANE 3953

NODIS

FOR THE SECRETARY FROM HABIB

DEPT PASS BANGKOK FOR HABIB

6. AS FOR POTENTIAL EVACUATION OF THE AMERICAN COMMUNITY, IT IS CLEAR THAT WE SHOULD NOT THINK IN TERMS OF A MILITARY OPERATION IN VIENTIANE. THE LANDLOCKED POSITION AND THE IMMEDIATE PRESENCE IN VIENTIANE OF A VERY SUBSTANTIAL NUMBER OF ARMED PATHET LAO (APPROXIMATELY 6,000 TROOPS) MILITATE AGAINST SUCH

AN APPROACH. IT IS MY CONVICTION THAT THE MISSION SHOULD DRAW DOWN TO AROUND 50 AND THEN, IF THE TIME COMES TO MOVE OUT ENTIRELY, INFORM THE GOVERNMENT (SOUVANNA) THAT WE HAVE DECIDED TO LEAVE. IF THE PGNU PREVENTS OUR STAFF FROM DOING SO, THEY CAN HUNKER DOWN AT THE AMBASSADOR'S RESIDENCE -- WHICH IN AN EMERGENCY COULD ACCOMMODATE A GROUP OF THAT SIZE -- AND SWEAT IT OUT WHILE WE NEGOTIATE. THE RESIDENCE IS STOCKED WITH C-RATIONS AND WILL SOON HAVE COMMUNICATIONS WHICH CAN REACH UDORN. WE MIGHT HAVE AN EXTENDED NEGOTIATION WITH THE LAO, BUT IN THE END I BELIEVE WE WOULD GET EVERYONE OUT SAFELY. KEY MEMBERS OF THE COUNTRY TEAM ALL AGREE ON THIS APPROACH.

7. THE ISSUE OF FUTURE ECONOMIC AID -- FEOF OR OTHERWISE -- SHOULD NOT HAVE TO BE RESOLVED IMMEDIATELY. THE LAO WANT IT. BOTH SOUVANNA AND PHOUMI TOLD ME THAT IS THEIR DESIRE. I DO NOT REGARD THE PROPOSED  
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"DRAFT AGREEMENT" AS SOMETHING WE SHOULD WORK FROM, IF WE DO DECIDE TO PROCEED WITH FUTURE AID NEGOTIATIONS. IT MAY BE THAT AS WE MOVE WITH DELIBERATE MOTIONS THE LAO WILL TURN THE HEAT ON, BUT I WOULD NOT LIKE TO SEE A FUTURE AID AGREEMENT -- IF ANY -- NEGOTIATED UNDER THE KIND OF PRESSURE ONE FINDS IN LAOS. SOUVANNA TOLD ME NEGOTIATIONS COULD BE HELD EITHER IN WASHINGTON OR VIENTIANE, WHEREAS PHOUMI IN A NOTE TO THE EMBASSY DELIVERED JUNE 2 PROPOSED THAT FOR SAKE OF CONVENIENCE THEY BE HELD IN VIENTIANE. GIVEN THE POISONOUS ATMOSPHERE HERE, WITH STUDENT AND OTHER DEMONSTRATORS WHOM THE PATHET LAO EITHER CHOOSE OR NOT TO CONTROL OR MANIPULATE AS THEY WISH, I BELIEVE WE OUGHT TO HOLD SOUVANNA TO THE WASHINGTON VENUE AND MAKE OUR DECISIONS IN A CALM AND OBJECTIVE CLIMATE IF AND WHEN WE ARE PREPARED TO HOLD SUCH NEGOTIATIONS. BEFORE THAT HAPPENS, WE NEED TO HAVE A PAUSE HERE TO INSURE THAT RELATIONS BETWEEN OUR TWO COUNTRIES ARE ORDERLY AND THAT PROVISION OF AID CAN BE JUSTIFIED. MEANWHILE, WE SHOULD HOLD IN ABEYANCE, AS BEST WE CAN, ALL PRESENTATION OR PUBLIC DISCUSSION OF ECONOMIC AND MILITARY ASSISTANCE UNTIL THE PRESENT SITUATION STRAIGHTENS OUT.

8. FINALLY, I BELIEVE IT WOULD BE OF SOME VALUE TO MAINTAIN A SMALL MISSION HERE, IF THE PGNU AND THE SITUATION PERMIT. BY THIS MEANS WE WOULD RETAIN A MARGINAL PRESENCE IN INDOCHINA AND WOULD HAVE A LISTENING POST OF SORTS. WE SHOULD NOT PAY ANY OUTRAGEOUS PRICE FOR THE "HONOR" AS IT IS CLEARLY NOT ESSENTIAL TO OUR INTERESTS. BUT, FOR THE TIME BEING, I THINK WE SHOULD

CONDUCT OURSELVES IN A MANNER WHICH KEEPS THAT  
OPTION OPEN, PENDING A DETERMINATION OF THE PRICE THE  
PGNU DEMANDS, THE POSSIBLE NATURE OF OUR PRESENCE AND  
THE LIMITED PERCEIVED INTERESTS OF THE U.S. AS THE  
SITUATION EVOLVES.

CHAPMAN

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